

1 AN ACT concerning economic planning.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Economic Policy Planning Act.

6 Section 5. Findings and purpose. The General Assembly finds
7 that:

8 (a) The State of Illinois does not currently have a
9 comprehensive policy on economic development incentives.
10 Instead, the State has a wide variety of incentives reducing
11 specific State or local tax burdens that are provided mostly
12 upon request by citizens and corporations. This creates an
13 uncertain tax environment for businesses in Illinois and, as
14 witnessed during the fall 2011 veto session, can leave the
15 State vulnerable to competition from other states that have
16 tried to entice businesses with financial incentives to
17 relocate or expand outside of Illinois.

18 (b) In Fiscal Year 2010, the State spent a total of
19 \$313,600,000 on tax incentives for businesses. According to
20 2009 Illinois Department of Revenue data, only 0.7% of the more
21 than 450,000 corporations filing taxes in Illinois take
22 advantage of these tax incentives.

23 (c) The State of Illinois must develop a formal economic

1 development policy to guide the awarding of incentives. A
2 transparent economic development policy would effectively curb
3 economic brinksmanship by Illinois businesses by creating a
4 predictable process for applying for and earning tax
5 incentives. Such a policy needs to be in place before the State
6 renews, expands, or creates any economic development
7 incentives, and to guide policy makers in determining which tax
8 incentives are most beneficial to the State.

9 Section 10. Economic Policy Planning Commission.

10 (a) There is created the Economic Policy Planning
11 Commission. The Commission shall have 10 voting members
12 appointed as follows:

13 One member of the General Assembly, who shall serve as
14 co-chairperson, and one member of the public appointed by
15 the President of the Senate;

16 One member of the General Assembly and one member of
17 the public appointed by the Minority Leader of the Senate;

18 One member of the General Assembly, who shall serve as
19 co-chairperson, and one member of the public appointed by
20 the Speaker of the House of Representatives;

21 One member of the General Assembly and one member of
22 the public appointed by the Minority Leader of the House of
23 Representatives; and

24 2 members appointed by the Governor.

25 The Director of the Department of Commerce and Economic

1 Opportunity, or his or her designee, the Director of the
2 Department of Revenue, or his or her designee, the
3 Secretary of the Department of Transportation, or his or
4 her designee, the Executive Director of the Capital
5 Development Board, or his or her designee, and the
6 Executive Director of the Illinois Finance Authority, or
7 his or her designee, shall serve as non-voting, ex-officio
8 members of the Commission.

9 (b) The co-chairpersons may appoint such other individuals
10 as they may deem helpful as non-voting members of the
11 Commission.

12 (c) The members of the Commission shall serve without
13 compensation, but may be reimbursed for expenses from funds
14 appropriated for that purpose.

15 (d) The Department of Commerce and Economic Opportunity
16 shall provide administrative support, together with meeting
17 space, to assist the Commission in fulfilling its mission.

18 (e) All appointments required by this Section shall be made
19 within 60 days of the effective date of this Act.

20 Section 15. Meetings.

21 (a) The Commission shall conduct meetings, conference
22 calls, or both, as the co-chairpersons shall direct, and shall
23 conduct at least 2 public hearings, as the co-chairpersons
24 shall direct, before filing its final written findings and
25 recommendations as provided in Section 25 of this Act.

1 Additional public hearings may be held at the discretion of the
2 co-chairpersons.

3 (b) The public hearings shall be held at geographically
4 convenient locations around the State. The locations, dates and
5 times of the public hearings shall be determined by the
6 co-chairpersons, on a schedule that is publicly announced in
7 area newspapers, State buildings, websites, and other media no
8 less than 2 weeks in advance of each hearing. All hearings
9 shall be completed at least 2 months prior to the time for
10 submission of the final written findings and recommendations as
11 provided in Section 25 of this Act.

12 (c) At the public hearings, the Commission shall allow
13 interested persons to present their views and comments and to
14 present any written literature, statements, articles, or
15 comments. Based on attendance and time frames, the Commission
16 may set limits for the time each speaker may comment. These
17 hearings may be continued if all persons could not be heard.

18 Section 20. Activities and purpose.

19 (a) The Commission will conduct a thorough review of the
20 current economic condition of the State of Illinois, which may
21 include its natural resources, geography, infrastructure,
22 businesses, workforce, and educational system, within the
23 context of the national and international economy.

24 (b) The Commission will also conduct a thorough review of
25 relevant and available studies relating to the current economic

1 condition of the State of Illinois as compared to other states,
2 and the nation, including those studies conducted by
3 governments, universities, and reputable groups and
4 institutions. The Commission shall also conduct a review of all
5 laws and regulations relating to economic planning in the State
6 of Illinois, other states, and the nation.

7 (c) Through the public hearings required in Section 15 of
8 this Act and otherwise, the Commission will gather information,
9 review studies, evaluate testimony, and consider and summarize
10 written comments received, and shall make written findings and
11 recommendations as required in Section 25 of this Act.

12 Section 25. Report; legislation.

13 (a) The Commission shall make its report to the General
14 Assembly on or before December 31, 2014. The report of the
15 Commission shall detail those findings and recommendations
16 supported by a majority of the voting members.

17 (b) The findings and recommendations shall include, but are
18 not limited to:

19 (1) Specific goals and objectives for the economy of
20 the State of Illinois, including but not limited to: target
21 economic sectors, business retention or recruitment,
22 geographic focus, job creation, blight mitigation,
23 improving economically distressed neighborhoods, and
24 environmental improvements. The goals and objectives shall
25 be stated in measurable terms, so that they can be used to

1 provide context and accountability for the use of economic
2 development incentives.

3 (2) Specified types of economic development
4 incentives, including eligibility and qualifications for
5 individual firms, maximum funding for particular programs,
6 the jurisdictions that will use them and the extent to
7 which those jurisdictions may use them.

8 (3) A clearly defined evaluation process for each type
9 of economic development incentive, including, but not
10 limited to:

11 (A) how a proposal measures up to established
12 economic development criteria;

13 (B) a cost/benefit analysis;

14 (C) an evaluation of tax base impact, both in terms
15 of increases in taxable value and, where a Tax
16 Increment Financing District is proposed, the impact
17 on all overlapping taxing jurisdictions;

18 (D) an analysis of the impact of a project on
19 existing businesses;

20 (E) a determination of whether the project would
21 have proceeded if the incentive is not provided; and

22 (F) the required documentation for demonstrating
23 these criteria.

24 (4) Specific performance standards for each project
25 receiving economic development incentives, to help gauge
26 the effectiveness of both the specific economic

1 development incentives provided as well as the State's
2 overall economic development program, together with the
3 recovery of promised financial benefits, through clawbacks
4 or linkage agreements, of recipients failing to fulfill
5 their commitments.

6 (5) A process for ongoing and regular monitoring of the
7 economic development incentives granted and the
8 performance of each project receiving incentives,
9 including the designation or creation of a State agency or
10 other body to provide the monitoring. Ongoing and regular
11 monitoring must include, at a minimum, the examination of
12 performance standards relative to each economic
13 development agreement, and the determination of whether
14 the goals for each project have been achieved within the
15 defined timeframe.

16 (c) In addition to the report, the Commission shall provide
17 to the General Assembly its recommendations in the form of
18 legislation. The Legislative Reference Bureau shall provide
19 drafting assistance to the Commission.

20 Section 30. Repealer. This Act is repealed on December 31,
21 2015.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.